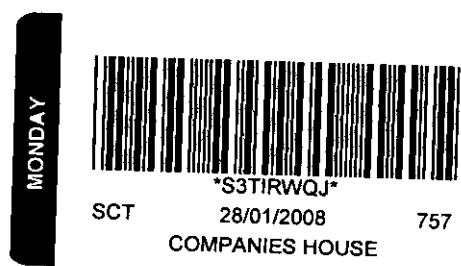
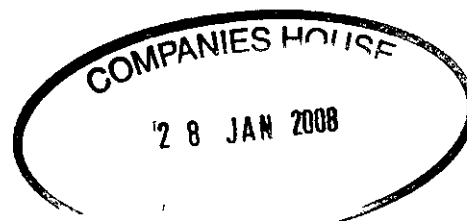


# Credential Jersey Limited

## Report and Financial Statements

31 March 2007



# Credential Jersey Limited

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Registered No SC302412

## **Directors**

R B Clapham

D Porter

D A Cumine

## **Secretary**

Secretar Securities Limited

## **Auditors**

Ernst & Young LLP

George House

50 George Square

Glasgow

G2 1RR

## **Bankers**

Bank of Scotland

Gordon Street

Glasgow

G1 3RS

## **Registered Office**

249 West George Street

Glasgow

G2 4RB

## Directors' report

The directors present their report and financial statements for the period from date of incorporation to 31 March 2007

### Date of incorporation

The company was incorporated on 16<sup>th</sup> May 2006

### Results and dividends

The company did not generate any income during the period nor incur any expenditure. Consequently, no profit and loss account for the period has been prepared.

### Principal activity and review of the business

The company's principal activity during the period was that of an intermediate parent company.

The company intends to continue with its existing activities and have no plans for developing other business activities.

### Directors and their interests

The directors of the company during the period were

R B Clapham                      appointed 16 May 2006

D Porter                         appointed 16 May 2006

D A Cumine was appointed a director of the company on 1 April 2007

At 31 March 2007, R B Clapham had an interest in 19,854,332 'A' ordinary shares of 25p each (51%) in Credential Holdings Limited.

### Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



D Porter  
Director

15 January 2008

## **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditors' report to the members of Credential Jersey Limited**

We have audited the financial statements of Credential Jersey Limited for the period ended 31 March 2007 which comprise the Reconciliation of Shareholders' Funds, the Balance Sheet and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for the preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its result for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
Glasgow

21 January, 2008

## Balance sheet

at 31 March 2007

	Notes	2007 £
<b>Fixed assets</b>		
Fixed asset investments	3	6,000,000
		<hr/>
<b>Creditors</b> amounts falling due within one year	4	(5,999,999)
		<hr/>
<b>Net current liabilities</b>		(5,999,999)
		<hr/>
<b>Total assets less current liabilities</b>		1
		<hr/>
<b>Capital and reserves</b>		
Called up share capital	5	1
		<hr/>
<b>Shareholders' funds</b>	6	1
		<hr/>

The financial statements were approved by the board of directors and authorised for issue on 15 January 2008



DA Cumine  
Director

15 January 2008

## Notes to the financial statements

at 31 March 2007

### 1. Accounting policies

#### *Accounting convention*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

#### *Consolidated financial statements*

The company is exempt from the requirement to prepare consolidated financial statements by virtue of Section 248 of the Companies Act 1985 as the group it heads qualifies as a small group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

#### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.

#### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment.

#### *Deferred taxation*

Deferred tax is provided in accordance with FRS 19 on all timing differences which have originated but not reversed at the balance sheet date, except that

- deferred tax is not recognised on revaluation gains arising on investment properties unless by the balance sheet date the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and,
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial building are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

### 2. Auditors' remuneration

Audit fees for the period were paid by Credential Holdings Limited.

### 3. Fixed asset investments

	<i>Shares in subsidiary undertaking £</i>
<i>Cost</i>	
Additions	6,000,000
At 31 March 2007	6,000,000

## Notes to the financial statements

at 31 March 2007

### 3. Fixed asset investments (continued)

The company (or subsidiary undertaking where indicated \*) has interests in the following subsidiary undertakings

<i>Name</i>	<i>Country of registration or establishment</i>	<i>Proportion of voting rights and ordinary share capital/units held</i>	<i>Nature of business</i>
Rocket Unit Trust	Jersey	99%	Property investment
*Credential (Rochdale)	Scotland	99%	Property investment
*Credential (Milton Keynes)	Scotland	99%	Property investment

	<i>Profit/(loss) for the period 2007</i>	<i>Aggregate share capital and reserves 2007</i>
	<i>£</i>	<i>£</i>
Rocket Unit Trust	(261,172)	5,798,827
Credential (Rochdale)	(146,672)	(146,671)
Credential (Milton Keynes)		360,699
	<u>          </u>	<u>          </u>

### 4. Creditors: amounts falling due within one year

	<i>2007</i>
	<i>£</i>
Amounts owed to parent undertaking	5,999,999
	<u>          </u>

### 5. Share capital

	<i>Authorised 2007</i>	<i>Allotted, called up and fully paid 2007</i>
	<i>£</i>	<i>£</i>
Equity share capital		
Ordinary shares of £1 each	1,000	1
	<u>          </u>	<u>          </u>

Upon incorporation, one ordinary share of £1 was issued at par value



## Notes to the financial statements

at 31 March 2007

### 6. Reconciliation of shareholders' funds and movements on reserves

	<i>Period ended 31 March 2007 £</i>
Shares allotted in period	1
At 31 March 2007	<u>1</u>

### 7. Contingent liabilities

The bank borrowings of the parent undertaking, Credential Holdings Limited, are guaranteed by the company. As security for the company's obligations the bank holds a floating charge over the assets of the company.

### 8. Related party disclosures

Pursuant to the exemption granted by Financial Reporting Standard 8 'Related Party Disclosures' transactions with other undertakings within, and related parties of, Credential Holdings Limited have not been disclosed in these financial statements.

### 9. Ultimate parent company

The directors regard Credential Holdings Limited, a company registered in Scotland, as the company's ultimate parent company. Credential Holdings Limited, which is controlled by R B Clapham by virtue of his controlling interest in the share capital of that company, is the parent undertaking of the largest and smallest group of which the company is a member, and for which group accounts are drawn up. Copies of the accounts of Credential Holdings Limited may be obtained from the Registrar of Companies.